

**CLARKSTON TRANSPORTATION BENEFIT
DISTRICT**

MCAG NO. 3134

ANNUAL REPORT

FISCAL YEAR ENDING

DECEMBER 31, 2014

*Kelly Blackmon, Board Chair
Vickie Storey, Clerk/Treasurer*

ANNUAL REPORT CERTIFICATION
CLARKSTON TRANSPORTION BENEFIT DISTRICT

MCAG No. 3134

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended **DECEMBER 31, 2014**

GOVERNMENT INFORMATION:

Official Mailing Address 829 5th Street Clarkston, WA 99403

Official Website Address www.clarkston-wa.com

Official E-mail Address clarkstoncity@cableone.net

Official Phone Number (509) 758-5541

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title Vickie Storey – Clerk/Treasurer

Contact Phone Number (509) 769-0131

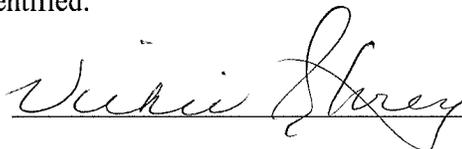
Contact E-mail Address clarkstoncity@cableone.net

I do hereby certify as of the 29th day of May, 2015, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification.

Moreover, I acknowledge and understand that management and the governing body are responsible for:

- The design and implementation of policies and procedures to safeguard public resources and ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
- Compliance with applicable state and local laws and regulations.
- Immediately submitting corrected annual report information if any error in submitted information is subsequently identified.

Preparer Signature:



Clarkston Transportation Benefit District

Schedule 01

For the year ended December 31, 2014

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
3134	001	Transportation	39180	Intergovernmental Loans	\$5,000
3134	001	Transportation	543304140	General Services	\$300
3134	001	Transportation	5423030	Roadway	\$2,150
3134	001	Transportation	5423040	Roadway	\$1,200
3134	001	Transportation	5423040	Roadway	\$760
3134	001	Transportation	5081000	Reserved Fund Balance (GAAP)/Reserved Cash and Investments (Cash Basis)	\$590

**Clarkston Transportation Benefit District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014**

	001 Transportation
Beginning Cash and Investments	
30810 Reserved	-
30880 Unreserved	-
388 & 588 Prior Period Adjustments, Net	-
Operating Revenues	
310 Taxes	-
330 Intergovernmental Revenues	-
360 Miscellaneous Revenues	-
Total Operating Revenues:	-
Operating Expenditures	
540 Transportation	4,410
Total Operating Expenditures:	4,410
Net Operating Increase (Decrease):	(4,410)
Nonoperating Revenues	
370-380, 395 & 398 Other Financing Sources	-
391-393 Debt Proceeds	5,000
Total Nonoperating Revenues:	5,000
Nonoperating Expenditures	
591-593 Debt Service	-
594-595 Capital Expenditures	-
Total Nonoperating Expenditures:	-
Net Increase (Decrease) in Cash and Investments:	590
Ending Cash and Investments	
50810 Reserved	590
50880 Unreserved	-

The accompanying notes are an integral part of this statement.

Clarkston TBD

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2014

BARS CODE		Total for	001	
		All Funds 1/	Transportation	
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$0.00	\$0.00	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00
Total Operating Revenues:		\$0.00	\$0.00	\$0.00
Operating Expenditures:				
510	General Government	\$300.00	\$300.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$0.00	\$0.00	\$0.00
540	Transportation	\$4,110.00	\$4,110.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$4,410.00	\$4,410.00	\$0.00
Net Operating Increase (Decrease):		(\$4,410.00)	(\$4,410.00)	\$0.00
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$0.00	\$0.00
391-393	Debt Proceeds	\$5,000.00	\$5,000.00	\$0.00
397	Transfers-In	\$0.00	\$0.00	\$0.00
Total Nonoperating Revenues:		\$5,000.00	\$5,000.00	\$0.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Expenditures	\$0.00	\$0.00	\$0.00
597	Transfers-Out	\$0.00	\$0.00	\$0.00
Total Nonoperating Expenditures:		\$0.00	\$0.00	\$0.00
Increase (Decrease in Cash and Investments)		\$590.00	\$590.00	\$0.00
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$590.00	\$590.00	\$0.00
50880	End Fund Balance-Unreserved	\$0.00	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
 The Accompanying Notes Are An Integral Part Of This Statement.

Clarkston TBD

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2014

BARS Code		Total for					
		All Funds 1/	001 Transportation				
308	Beginning Cash and Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
388 and 588	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
310-360	Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
380-390	Other Increases and Financing Sources	\$5,000.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00
510-570	Expenditures	\$4,410.00	\$4,410.00	\$0.00	\$0.00	\$0.00	\$0.00
580-590	Other Decreases and Financing Uses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Increase (Decrease) in Cash and Investments	\$590.00	\$590.00	\$0.00	\$0.00	\$0.00	\$0.00
508	Ending Cash and Investments	\$590.00	\$590.00	\$0.00	\$0.00	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
The Accompanying Notes Are An Integral Part Of This Statement.

CLARKSTON TRANSPORTATION DISTRICT
SCHEDULE OF CASH ACTIVITY
 For the Year Ended December 31, 2014

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
001	Transportation	\$0.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$4,410.00	\$0.00	\$0.00	\$4,410.00	\$590.00
TOTAL		\$0.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$4,410.00	\$0.00	\$0.00	\$4,410.00	\$590.00

Schedule 22 - Audit Assessment Questionnaire

Entity Name: Clarkston Transportation Benefit District

MCAG: 3134 **Entity's Year Ended:** 2014

Reference	#	Question	Answer	Explanation
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The term "entity" as used in this Schedule 22 refers to the local government completing this Schedule 22. The term "governing body" is used in this Schedule 22 to describe the elected or appointed governing board of your entity.

For guidance to these questions, please refer to the document at, <http://www.sao.wa.gov/local/Pages/BARSReportingTemplates.aspx>.

Some questions may ask for additional information. Please be sure to enter an explanation for any question when requested. You will not be able to submit the Annual Report until all questions and text boxes are completed.

Please click, "**Next**," to begin the Schedule 22. You may use the numbers above circled in blue to quickly navigate to a specific section of the Schedule 22. As with the rest of the Annual Report submission, it does not need to be completed all at once; you may leave and return to the Schedule 22 as needed.

CASH AND INVESTMENTS

<i>BARS</i>	1	Are county/in house treasurer reports reviewed by the governing body at least monthly?	Yes	
<i>Informational</i>	6	Did the entity bill for any goods or services during the year?	No	
<i>Informational</i>	11	Did the entity receive any revenues, other than those collected directly through the County Treasurer (charges for goods, services, fees, donations, grants, etc.)?	No	
<i>State and Federal Payroll Laws</i>	18	Are governing body members compensated for attending meetings or providing services to the entity?	No	

Reference	#	Question	Answer	Explanation
<i>Informational</i>	22	Other than governing body members, did the entity pay employees or volunteers?	Yes	Staff time for City employees was tracked and charged to the TBD. The TBD itself has no actual employees.
<i>BARS and RCW 42.24.180</i>	30	Were conditions of RCW 42.24.180 met for any expenditures made prior to approval by the governing body?	Yes	
<i>BARS</i>	32	If the entity writes checks or warrants, are all checks/warrants accounted for and blank stock secured, including voids?	Yes	
<i>Best Practice</i>	33	Are voided checks physically altered and available for inspection?	Yes	
<i>BARS</i>	34	Are checks or vouchers always completed before they are presented for signature?	Yes	

**PROCUREMENT CARDS AND CHARGE ACCOUNTS
FINANCIAL CONDITION**

<i>Best Practice</i>	62	Is the entity currently involved in any lawsuits? If yes please provide details.	No	
<i>RCW 42.32.030</i>	66	Are official minutes of all regular and special governing body meetings recorded and available for public inspection?	Yes	
<i>RCW 42.30.020</i>	67	Are all official actions, motions (passed and not passed), governing member discussions, audience comments, and approval of budgets, assessments, and payments, etc. documented in the minutes?	Yes	
<i>RCW 42.30.020, .060</i>	68	Were all official actions of the governing body taken during an open public meeting, with a quorum of governing body members present?	Yes	
<i>RCW 42.30.110</i>	69	Were executive sessions only held for purposes allowed by law and recorded in the meeting minutes?	Yes	

Reference	#	Question	Answer	Explanation
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RCW 40.14.070	72	Have public records been preserved in compliance with the Secretary of State's, Local Government Records Retention Schedule?	Yes	
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OPERATIONS

<i>Informational</i>	74	Did the entity essentially operate the same as in prior years (no new programs, services, mergers, contracted services)? If no, describe significant changes.	No	this is a newly formed district and has no prior year history.
<i>Informational</i>	76	Did the entity make any large purchases or start any public works (construction) projects?	No	
<i>Advised</i>	80	Has the entity addressed all findings, management letter items, or recommendations made by the State Auditor's Office during the last audit?	No prior recommendations	

TBD/EDC/IDC SPECIFIC QUESTIONS

<i>Informational</i>	100	What transportation improvement projects may be funded by the entity per the entity's plan or establishing ordinance?	No	Improvements that preserve, maintain, operate and/or improve the existing transportation infrastructure of the City.
<i>Informational</i>	101	Are all revenues received by the entity immediately transferred to the creating government?	No	Revenues are direct deposited for the State Treasurer to a separate bank account for the TBD
RCW 36.73.170	102	Does the establishing ordinance give a date when the entity will terminate operations? If yes, then when?	No	
<i>Best Practice</i>	103	Are all entity operations accounted for in the creating government's general ledger and subject to the same processes and controls over the creating government's transactions?	No	The TBD has a separate accounting system for TBD transactions.

Reference	#	Question	Answer	Explanation
BARS	104	How is the entity accounted for on the creating government's financial statements?	Not reported	
<i>Informational</i>	105	Does the entity have an original financing plan and material changes policy?	No	No policy has been created at this time.

REQUIRED ATTACHMENTS (see instructions for required details)

<i>Informational</i>	123	Attach the meeting minutes and resolutions for all governing body meetings held during the last year.	See Web Page	Meeting minutes and agendas are posted the City's website under the Transportation Benefit District tab.
<i>Informational</i>	124	Attach yearend county revenue report by revenue source for the year.	County not treasurer	
<i>Informational</i>	125	Attach warrant registers, payroll register, check registers and petty cash log detailing all expenditures made during the year.	Attached	Attachments <u>Check Register.xls</u>
<i>Informational</i>	126	Attach a detailed description of the entity's invoicing, cash and check receiving and deposit process. The description should include name of positions completing tasks in the process and all reconciliations and reviews performed. Include a copy of your written Cash and Check Receipting Policy or procedure if you have one. This request applies to all districts that invoice for a service (including third party billing services) or receive funds other than at the county treasurer (including charges for services or goods, fees, donations, grants, etc.).	Attached	Attachments <u>Invoice and Receipting process.docx</u>
<i>Informational</i>	127	Attach a listing of all governing body members during the year including names of spouses, places of employment and all business interests of household members. Also include a list of the names of all paid and unpaid employees and volunteers. Please avoid sending employees/volunteers SSI numbers or other personal information.	Attached	Attachments <u>Roster of Elected and Appointed Officials for 2014.docx</u>

Reference	#	Question	Answer	Explanation
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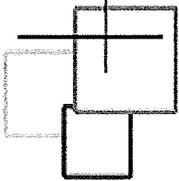
<i>Informational</i>	128	Attach rate and fee schedule in effect during the fiscal year and any related billing or fee policy.	Other	The only fee is a \$20 per vehicle license fee that is administered by the State Dept. of Licensing
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	131	ENTITY CONTACT INFORMATION - COMPLETE ALL FIELDS Telephone number: E-mail address:	(509) 758-5541 clarkstoncity@cableone.net www.clarkston-wa.com	
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Web site address:

<i>Preparer</i>	132	Name: Telephone number: E-mail address:	Vickie Storey (509) 769-0131 clarkstoncity@cableone.net	
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<i>Governing Body Member who reviewed this Annual Report for accuracy and completeness prior to submission.</i>	133	Name: Day time telephone number: E-mail address:	Terry Beadles (509) 758-1555 tbeadles@cableone.net	
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Register

Fiscal: 2014

Number	Name	Print Date	Clearing Date	Amount
Twin River National Bank	0160030541			
Check	City of Clarkston	12/31/2014		\$1,060.00
<u>1001</u>	Vision Municipal Solutions, LLC	12/31/2014		\$3,350.00
<u>1002</u>			Total Check	\$4,410.00
Deposit		12/31/2014		\$5,000.00
<u>12/31/14_loan</u>			Total Deposit	\$5,000.00
			Total 0160030541	\$9,410.00
			Grand Total	\$9,410.00

Clarkston Transportation Benefit District

Invoicing, Cash and Check Receiving and Deposit Process

The TBD receives its only revenue from a \$20 license tab fee that is collected at the time of vehicle license renewal and remitted via direct deposit monthly by the State Treasurer. There are no cash or checks received directly by the City.

Invoices are coded by the Clerk/Treasurer, Vickie Storey, and entered into the financial system by Deputy Clerk/Treasurer, Gerri Kesler, monthly. A voucher report is prepared and the invoices and report are reviewed by the Finance Committee of the City Council and then approved a meeting of the TBD board.

Bank Statements are reconciled monthly by the Secretary, Marcie Bayless and reviewed by Storey.

Roster of Elected and Appointed Officials for 2014

Kathleen Warren	Retired
Terry Beadles	Retired
Norma	Retired
Brian Kolstad	Instructor, Lewis Clark State College, Partner in Printer's Distillery
Debbie	Director of Residence Life, Lewis Clark State College
Larry Baumberger	North Idaho Central Health District, Maintenance
Joanie	Nurse
Clee Manchester	Retired; Reserve police officer, Clarkston & Asotin; Property Mgmt
Donna	WA St. Dept of Licensing, Reserve Police Officer for Clarkston & Asotin
William (Bill) Provost	Retired
George Nash	Cook at Wasem's
Kelly Blackmon	CenturyLink
Susan	Boy Scouts of America Inland NW Center
Vickie Storey	Clerk/Treasurer
James Grow	City Attorney
Debbie	Legal Secretary
Todd Richardson	City Attorney
Marci	Homemaker
James Martin	Public Works Director
Debbie	Regence
Steve Cooper	Fire Chief
Anna	Retired

CLARKSTON TRANSPORTATION DISTRICT (TBD)
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

Note 1 - Summary of Significant Accounting Policies

The Clarkston TBD was established on May 27, 2015 and operates under the laws of the state of Washington applicable to a transportation benefit district (RCW 36.73). The district is a special purpose local government and provides funding for the maintenance and preservation of the City of Clarkston's transportation infrastructure.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the district also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:	\$ 5,000.00	\$ 4,410.00	\$ 590.00

Budgeted amounts are authorized to be transferred between departments within any fund/object; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the district's legislative body.

D. Cash and Investments

See Note X, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Long-Term Debt

See Note X, *Debt Service Requirements*.

G. Other Financing Sources or Uses

The government's *Other Financing Sources* or *Uses* consist of debt service.

H. Risk Management

The Clarkston Transportation District is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 176 Members.

New members initially contract for a three-year term, and thereafter automatically renew on

an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

I. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the TBD Board. When expenditures that meet restrictions are incurred, the district intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of \$590.00.

Note 2 – Deposits and Investments

Deposits and Investments

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is credited to the general fund of the TBD.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or

the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the District or its agent in the government's name.

There are no investments for the year ending December 31, 2014.

Note 3 – Debt Service Requirements

The District has no long term debt for the year ending December 31, 2014.

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2014:

<u>Borrowing</u> <u>Fund</u>	<u>Lending</u> <u>Fund</u>	<u>Balance</u> <u>1/1/2014</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2014</u>
001 (TBD)	001 (City)	\$ <u>0</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>5,000</u>
	TOTALS	\$ <u>0</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>5,000</u>